UNITED NATIONS

General Assembly

FORTY-NINTH SESSION

Official Records

SECOND COMMITTEE
3rd meeting
held on
Friday, 7 October 1994
at 10 a.m.
New York

SUMMARY RECORD OF THE 3rd MEETING

Chairman: Mr. KHAN (Pakistan)

CONTENTS

ELECTION OF OFFICERS

ORGANIZATION OF WORK

GENERAL DEBATE

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of the publication* to the Chief of the Official Records Editing Section, room DC2-794, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

Distr. GENERAL
A/C.2/49/SR.3
1 December 1994
ENGLISH
ORIGINAL: FRENCH

/...

94-81506 (E)

The meeting was called to order at 10.15 a.m.

ELECTION OF OFFICERS

1. The CHAIRMAN recalled that one Vice-Chairman had already been elected and informed the Committee that the Group of Western European and Other States had proposed the candidature of Mr. Arjan Hamburger (Netherlands) for the other post of Vice-Chairman.

2. Mr. Arjan Hamburger (Netherlands) was elected Vice-Chairman by acclamation.

ORGANIZATION OF WORK (A/49/250; A/C.2/49/1, A/C.2/49/2; A/C.2/49/L.1/Rev.1 and Add.1)

3. The CHAIRMAN said that he had addressed a letter to the President of the forty-ninth session of the General Assembly transmitting the Committee's recommendation that the debate on agenda item 89 (d), entitled "Elaboration of an international convention to combat desertification in those countries experiencing serious drought and/or desertification, particularly in Africa", should be held in plenary on the understanding that any decision would be adopted by the Second Committee. He also had been informed that there was a consensus in the Committee that the discussion of agenda item 89 (e), entitled "Global Conference on the Sustainable Development of Small Island Developing States", also should be held directly in plenary on the understanding that any decision would be taken by the Second Committee. If he heard no objection, he would take it that the Committee wished to address a letter to that effect to the President of the forty-ninth session of the General Assembly, as it had done with respect to agenda item 89 (d).

4. It was so decided.

5. The CHAIRMAN drew the attention of the members of the Committee to the document on the organization of the Committee's work (A/C.2/49/L.1/Rev.1), which had been revised on the basis of recommendations from delegations. The revisions had been made primarily to enable delegations to participate in the informal consultations of the Preparatory Committee for the World Summit for Social Development and in the resumed substantive session of the Economic and Social Council. If he heard no objection, he would take it that the Committee approved the revised document.

6. It was so decided.

7. Mr. AHMIA (Algeria), speaking on behalf of the Group of 77 and the People's Republic of China, said that each year the documentation intended for consideration under the various agenda items was submitted very late, thereby commensurately delaying consideration of the items and the adoption of the relevant resolutions. The Group of 77 and the People's Republic of China insisted that the documents should be submitted within the time-limits

established in the rules of procedure and reserved the right to defer consideration of items in respect of which the time-limits were not observed. Furthermore, the sub-items listed under agenda item 12 should be dealt with in a separate document.

GENERAL DEBATE

8. The CHAIRMAN said that the Second Committee had the responsibility to assist the General Assembly in carrying out its role as the policy-making body in the economic sphere. In the light of the functions assigned to the General Assembly by the Charter of the United Nations and the responsibility for coordination entrusted to the Economic and Social Council, the Committee must act as the spearhead of multilateral discussions on economic and development issues. Although discussions and negotiations often took place in subsidiary bodies, it nevertheless was incumbent on the General Assembly to provide policy guidance. The issues before the Committee during the current year provided it with ample opportunity to carry out its responsibilities effectively.

9. The end of the cold war had given rise to expectations of a new era of global peace and prosperity. Unfortunately, there still were sharp differences in living conditions and a large majority of the world population lived below the poverty line. The recovery under way was far from global in scope and the impact of the long recession had been most severe in the weakest and most vulnerable developing countries, in particular, the African countries and the least developed countries, whose development efforts were undermined by fluctuating commodity prices, debt servicing, inadequate development financing and natural and man-made disasters.

10. In the industrialized countries, encouraging signs of stable growth could not conceal the serious structural problems which they continued to face. The economies in transition, for their part, were grappling with the problems of political, social and economic transformation. Moreover, while the end of the global recession should have a positive impact, there was no assurance that it would translate into general prosperity for the developing countries. Indeed, the globalization of the world economy did not necessarily benefit all countries, and structural problems, which continued to paralyse the weakest and poorest countries, tended to marginalize rather than integrate them; it was therefore necessary to analyse their situation along with corrective measures to enable all countries to gain from the process of globalization.

11. The concept of development cooperation was itself undergoing a major change. It would henceforth be based on the concepts of mutual interest and shared benefits for donors and recipients alike.

12. The Committee was beginning its work that year against the backdrop of historical decisions, in particular the conclusion of the Uruguay Round of multilateral trade negotiations which had established the basis for an international trade regime to be governed by the World Trade Organization. The international instruments adopted at the United Nations Conference on Environment and Development at Rio de Janeiro and the results of the

International Conference on Population and Development and the Global Conference on the Sustainable Development of Small Island Developing States also should offer very clear benefits to developing countries.

13. The General Assembly was to consider the implementation of the multilateral agreements which had been adopted and the Committee, which had been the initiator of those processes, would be involved in the follow-up to the decisions taken. However, considering the increasing demands on the limited resources of the United Nations, it was essential that it focus its attention on a few priority areas, in particular, the problems of the African countries and the least developed countries.

14. The World Hearings on Development (A/49/320), held in June 1994, and the debate in the high-level segment of the Economic and Social Council had contributed substantially to the elaboration of the agenda for development by presenting certain innovative ideas which could find a place in the final document. The report of the Secretary-General on the question (A/48/935) provided a number of ideas to serve as points of departure and delegations looked forward with considerable interest to his further report on the subject.

15. He intended to work closely with the Chairman of the Third Committee in the preparations for the World Summit for Social Development and the fourth World Conference on Women. The involvement of the Second Committee in those two processes was essential in order to ensure an integrated approach, taking into account the economic and social dimensions of the issues involved.

16. Mr. DESAI (Under-Secretary-General for Policy Coordination and Sustainable Development) said that the Second Committee was the platform for the international dialogue on development. In the late 1950s that dialogue had rested on the notion of an international responsibility for development and the moral obligation of the rich to assist the poor. It had placed the North-South relationship in a donor-recipient context: it was believed that financial aid, with a few trade concessions, would suffice to jump-start the stagnant economies of the Third World.

17. Then, in the 1970s, the development dialogue had moved into a phase of confrontation. Important resolutions had been adopted but had remained unimplemented, and the gap between rhetoric and reality had widened. During the 1980s the development dialogue had more or less come to a halt, and the principal losers had been the developing countries. Moreover, while the content of the development dialogue had largely been defined in economic terms it had become increasingly clear that environmental problems and social issues should also be included.

18. During the 1990s it appeared that the relationship between the industrial and developing countries was no longer a one-way street. The industrialized countries were far more dependent on trade with developing countries and investments in those countries. Growth in the developing countries had become an engine of global growth. Now, improved market access, debt relief and increased financial flows that stimulated growth in the developing countries

were no longer "concessions" but prudent investments in the interest of all countries. Also, in the area of the environment, the responsibilities of the industrialized countries no longer consisted solely in assisting the developing countries but also involved changes in their patterns of production and consumption. The same examples of interdependence could be seen in the sphere of health, in migration and in the problems of narcotics and international crime. The fact was that the interests of the States Members of the United Nations in the economic, social and environmental areas were becoming more and more intertwined. The challenge for the Second Committee would therefore be to move away from the donor-recipient pattern and define mutual interests and mutual commitment. That was the very purpose of the global conferences recently held. Each of those conferences had begun with a specific problem area - children, the environment, human rights or population growth - but had succeeded in moving beyond the narrow confines of the problem area and addressing basic issues of development.

19. This link with development implied that there was a certain overlap in the action programmes of those conferences and that some elements were considered critical in all cases: ensuring that the options available to developing countries were wider, especially in the case of African countries, taking account of social and environmental questions in structural adjustment policies, making poverty eradication a central concern, placing greater emphasis on health and education, improving the status of women and developing the role of community organizations.

20. Furthermore, all those conferences required intense preparatory negotiations, a high degree of inter-agency collaboration and the participation of a wide range of non-governmental organizations. Taken together, the global conferences of the past few years and those to come represented a common effort to define a framework of development cooperation based on shared goals and reciprocal commitments - thus a global compact for development.

21. As for the role of United Nations bodies in that process, in the first instance the Second and Third Committees had contributed extensively to the preparations for those conferences, providing the spirit of camaraderie and the desire to reach agreement which characterized their work. The standing political processes - most often the Economic and Social Council or one of its subsidiary bodies - were responsible for the follow-up to the conferences. Lastly, the Second and Third Committees and the Economic and Social Council had a responsibility to preserve the unity of that global compact on development which was the sum of the agreements achieved at all those major conferences.

22. It would therefore be a mistake to focus the Organization's energies on the conference processes and neglect the need to revitalize the standing political processes of the United Nations. The agreements on the restructuring of the Economic and Social Council and the rationalization of the agenda of the Second and Third Committees must be implemented in letter and in spirit in order to identify new problems, articulate mutual interests and complement earlier agreements.

23. The Department for Policy Coordination and Sustainable Development, which was closely associated with the work of the Second and Third Committees and that of the Economic and Social Council and its subsidiary bodies, had the specific task of facilitating and improving the intergovernmental process and it could do so because it contained the secretariats of the two forthcoming conferences (the World Summit for Social Development and the fourth World Conference on Women) as well as the Division of Sustainable Development and the Office of the Special Coordinator for Africa and Least Developed Countries and the Division for the Advancement of Women. The various divisions in the Department were seeking to integrate environmental, social and economic problems through collaboration with all departments, programmes and agencies of the United Nations and with bodies outside the United Nations that could contribute to the task of shaping a partnership for sustainable development.

24. The end of the cold war and of ideological confrontation and the growth of interdependence among States gave the United Nations the opportunity to shape a shared vision of a better and more just world in which every human being could enjoy the material means and the public services required for human dignity. The United Nations must not miss that historic opportunity of playing such an essential role.

25. Mr. LAMAMRA (Algeria), speaking on behalf of the Group of 77 and China, said that there had been a resumption of growth in the main sectors of the world economy. However, most developing countries were still excluded from that process of improvement and their general situation was growing worse. As long as the rules structuring international economic and financial relations remained unchanged, the impact of the resumption of growth on those countries could be merely illusory. Moreover, it was in the interest of the developed countries to support the structural adjustments and reforms undertaken by the developing countries because they would help to make those countries effective partners in a global economic recovery. The financial, commercial and technical restraints preventing the implementation of those reforms must therefore be removed.

26. In that connection, the international community must satisfactorily handle the external debt crisis affecting the developing countries. Successive reschedulings and structural adjustment programmes had served only to accentuate the economic problems of many developing countries and to make their socio-political balances more fragile. A global and coordinated approach must be taken to the problem, involving the participation of the creditor countries, the debtor countries, commercial banks and multilateral financial institutions. Financial flows to the developing countries had certainly increased in recent years, but thus far they had only benefited a very small number of those countries. The international conference on development financing proposed by the Secretary-General might provide an opportunity for the compilation of an exhaustive inventory of financial resources available on the international financial market and for the achievement of an agreement on their allocation, giving priority consideration to the investment needs of the developing countries.

27. The conclusion of the Uruguay Round opened the way for the establishment of genuine multilateralism in the area of trade. The developing countries had contributed to the success of the negotiations and in return they expected full implementation of the provisions of the Final Act, especially with regard to compensatory mechanisms for the least developed countries, in particular those in Africa, those that were net importers of food products and those that would have to bear the negative effects of the abolition of the Generalized System of Preferences. They also expected the industrialized countries to abandon their plan to introduce environmental and social clauses that would deprive them of their comparative advantage. The future World Trade Organization would have to contribute towards the strengthening of a multilateral trade system in which the interests of the weakest countries were not compromised.

28. The success of the Uruguay Round must not lead one to forget that famine killed nearly 18 million human beings every year and that 800 million people still suffered from malnutrition despite the fact that world agricultural production could satisfy the needs of all mankind. In Africa, where famine took its greatest toll, the number of undernourished people had doubled between 1970 and 1990. Because poverty and hunger jeopardized security and peace in the world, it was important to establish food security on a global scale, through the elimination of the distortions that currently characterized international trade in agricultural products. The World Summit for Social Development, to be held in Copenhagen in 1995, and the United Nations Conference on Human Settlements, to be held in Turkey in 1996, must strive to propose bold, concrete solutions to those problems.

29. The recent multilateral negotiations had yielded mediocre results in terms of financial commitments. Similarly, the $2 billion mobilized for the Global Environment Facility fell considerably short of the trebling of financial resources envisaged at Rio de Janeiro.

30. Since the early 1990s, the United Nations had been involved in a process of restructuring and revitalization in the economic and social sectors, aimed at rationalizing its activities. That, however, meant removing certain impediments relating to the resources available for funding operational activities, which were constantly diminishing despite the fact that the donor countries said that they wished to strengthen United Nations mechanisms in the field of development; to the transparency that should characterize the operation of the new governing bodies of funds and programmes; and to the handling of certain new concepts, such as that of "sustainable human development", to the detriment of respect for the sovereignty of States in making their economic and social choices.

31. The end of the cold war should encourage the United Nations to foster the emergence of an international society in which peace and security would go hand in hand with the thirst for justice, equity and dignity. In that context, "An Agenda for Development" took on special importance. Indeed, if the will to remedy the anomalies of the existing international economic system was clearly expressed, "An Agenda for Development" would offer the United Nations system a unique opportunity to promote its role as coordinator of international cooperation for development. In the opinion of the Group of 77, "An Agenda for

Development" should provide the operating mechanisms to correct the imbalances that currently characterized international economic relations. Thus, the discussions on the areas to be emphasized in that Agenda must deal with the main thrusts of the development question, namely the revitalization of economic growth in the countries of the South and the establishment of a favourable international economic environment. The document must therefore propose ways and means for the implementation of the development programmes and strategies adopted by the General Assembly in recent years; it must also define the requisite conditions for improved effectiveness and strengthened coordination among the existing mechanisms within the United Nations system and between those mechanisms and the Bretton Woods institutions, and stimulate a renewed North-South dialogue. The time had also come for the international community to support cooperation among developing countries.

32. Mr. HENZE (Germany), speaking on behalf of the European Union, said he believed that the Second Committee had a role to play in the face of the rapid changes taking place in economic and social relations in the world. A number of developing countries had been able to make prompt use of the opportunities offered and had thus contributed greatly to recent economic growth. On the other hand, approximately one third of the world's population lived in extreme poverty, and the gap between that one third and the rest of the population was growing in both developing and industrialized countries.

33. Important international conferences in the economic and social field had enabled the international community to cope with those changes. The International Conference on Population and Development had led to a holistic concept, integrating issues relating to population, development and the environment, and had stressed the role of women. The preparations for the World Summit for Social Development were introducing new ways of viewing sustainable human development. The World Conference on Women would strengthen the participation of women in public life and in development.

34. In a rapidly changing world, the United Nations should also reflect on its role and its operation, especially in the economic and social spheres. The European Union therefore welcomed the first report of the Secretary-General on "An Agenda for Development" and subscribed to a broad view of development combining the five dimensions of development: peace, the economy, the environment, social justice and democracy. The efforts to restructure and revitalize the activities of the United Nations in the economic and social sectors were beginning to bear fruit, and the resolutions adopted by the General Assembly would result in better coordination of those activities. It was important, however, to avoid a proliferation of conferences and summit meetings; efforts should instead be directed towards the implementation of decisions already taken.

35. The European Union attached particular importance to development in Africa. Despite some encouraging progress, many African countries were among the least developed and remained marginalized in the world economy. Because of its traditional ties with Africa, the European Union had for a long time been providing considerable assistance to those countries. However, both donors and

recipient countries must learn from the errors of the past. The international community should support the adoption of sound national policies, particularly with regard to financing needs, debt alleviation and trade. The European Union welcomed the courageous measures adopted by 15 countries in the CFA franc area, especially with regard to exchange rates, and was gratified that the International Monetary Fund and the World Bank were actively supporting those measures.

36. Two years after the United Nations Conference on Environment and Development, considerable progress had been made in the area of sustainable development, although much remained to be done. The European Union noted with satisfaction that the negotiations on the elaboration of an international convention to combat desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, and on the Programme of Action on Sustainable Development of Small Island Developing States had been successfully concluded. The programme areas of Agenda 21, as discussed in the Commission on Sustainable Development, provided the basis for further work. In that connection, it was crucial to maintain a proper balance between development aspects and environmental aspects.

37. The European Union also felt that the United Nations was not adequately addressing the causes of violent conflicts and man-made disasters. Humanitarian assistance must be seen within the context of development and must encompass a wide range of disaster-prevention and rehabilitation measures. It was crucial that the United Nations should be efficient in that area.

38. Human-centred development must remain the focus of United Nations efforts to play a more substantial role in assisting developing countries and it should continue to guide the discussions of the Second Committee.

39. Mr. SARDENBERG (Brazil) said that the global economic recovery was, at best, fragile and fell far short both of the potential of the world economy and of what was needed. International agreements remained under threat from special interests and were undermined by a lack of firm political will to implement fully the commitments undertaken. In order to avert such threats, it would be necessary to reappraise the global economic situation and reconsider the models of dialogue and cooperation on economic issues. Developing countries could play a major role in global economic progress since, according to the World Bank, their growth would be nearly twice as rapid as that of industrialized countries in the next ten years. In addition, economic growth was not a mere transfer of resources, contrary to an outdated, demonstrably false concept which none the less continued to prevail. An effort must be made to create an international environment which would allow each nation to realize its development potential and it must be clearly understood that growth in one country or in a group of countries, far from being detrimental to growth elsewhere, was, actually a stimulus to it. The developing countries had learned that, while it might be necessary to protect fledgling sectors, that rapidly led to market distortions and therefore to losses for all of society. They had thus liberalized their economies and their trade, which was economically rational, but their example had not been followed by the industrialized nations, where short-sighted special

interests were acting to the detriment of society and the global economy in general. Such liberalization should not disregard a larger vision of development, which would not be limited to its economic and financial dimension, but rather would encompass the economic and social progress of the individual. To that end, the complex linkages between economic factors and many other aspects such as the environment, human rights, social development, population, the status of women and human settlements, which had been or would soon be the focus of major United Nations conferences, must be clearly identified.

40. In the end, there was no denying that the Organization had not lived up to either its mandate or its potential. That derived from an imbalance between peace and security activities, on the one hand, and development activities, on the other hand, and from the fact that the decisions taken had had a limited impact on international economic policies. The initiative of the Agenda for Development, one of the most important items in the Committee's programme of work, provided an opportunity to remedy the situation and to enable the Organization to make the most of its own advantages: universality, democratic decision-making and a wide-ranging mandate. His delegation supported the steps taken thus far to implement resolution 47/181 and, in particular, the World Hearings on Development. It had great expectations of the report of the Secretary-General on the Agenda for Development requested in resolution 48/166.

41. On 26 September, in his statement to the General Assembly, the Minister for Foreign Affairs of Brazil had proposed the convening of a United Nations conference on development, possibly in 1996, which would help to establish linkages between the sectoral agreements concluded at recent and forthcoming conferences and redefine the role of the United Nations in international deliberations on development.

42. Mr. LARRAIN (Chile) said that, for the first time in a very long time, the future could be viewed with cautious optimism. Growth was resuming and world-wide statistics reflected successful economic management in developing countries, which were making a real contribution to the world economic recovery and which had, during the past decade, been net suppliers of resources to the industrialized world. That illustrated the globalization of the economy; the corollary was that management of the world economy was the collective responsibility of all. The developed countries must carefully consider the world-wide repercussions of their economic situations, in particular in the area of finance, and the impact of their national fiscal and interest-rate policies on the rest of the world.

43. International financial institutions must avoid discrimination and subject all countries to the adjustment policies which they recommended. A truly global economy involved the application of discipline to all the actors on the international scene. The new regulatory framework established as a result of the conclusion of the Uruguay Round of multilateral trade negotiations should greatly improve trade relations and thus strengthen the economies of developing countries. Equitable international cooperation was of paramount importance at a time when official development assistance (ODA) was encountering insurmountable financing difficulties. The only way to integrate into the world market vast

segments of the world population which still consumed very little was through an increase in trade. The world-wide economic recovery would therefore be closely linked to growth in trade.

44. The successful macroeconomic management of the developing countries showed that their sacrifice during the past decade had not been in vain. The industrialized world should abide strictly by the agreements recently concluded under GATT, particularly concerning agricultural subsidies, and should submit to the discipline prescribed by the International Monetary Fund and the World Bank in order to control their budget deficits.

45. Growing unemployment remained a very serious problem. Recognition of its devastating psychological impact on the individual and its social dangers in all their acuteness would be necessary in any attempt to assess the impact of structural adjustment, which was not an end in itself and could not be implemented at the expense of veritable social disaster and political instability. There was no denying that its consequences for the poorest strata of the population must be checked. Those consequences included serious political crises, instability and a growing lack of security in urban areas. In other words, ways and means of humanizing the economy would have to be sought. In-depth work must begin on that theme, through the establishment of a working group, if necessary, which would benefit from the input of the regional economic commissions, the Bretton Woods institutions and the United Nations. A strategy for strengthened and coordinated action must be defined. To that end, social indicators must be fine-tuned in order to reflect more accurately the social reality in the countries concerned and the impact of economic adjustment measures on the most disadvantaged segments of society.

46. Mr. CHOWDHURY (Bangladesh) noted that development issues were increasingly being sidelined. And yet the international community could not remain indifferent to the increasing marginalization of the developing countries. The economies of the least developed countries (LDCs) and the African countries were confronted by very serious difficulties which must be urgently resolved. The recent shrinkage in the flow of development resources adversely affected the socio-economic situation of the developing countries. And yet, ODA targets remained unfulfilled. The developing countries continued to bend beneath the weight of the debt burden and the LDCs channelled a large portion of their export earnings into debt servicing, which forced them to reduce government investment in the social sectors. Urgent measures must be taken for the cancellation of debt, particularly bilateral and multilateral debt. The recommendations of the Ad Hoc Advisory Group of Non-Aligned Movement Experts on Debt would help to resolve that problem.

47. His delegation welcomed the conclusion of agreements under the Uruguay Round of multilateral trade negotiations and the decision to establish the World Trade Organization, but preferential treatment should be given to the products exported by LDCs and supportive measures should be taken in order to alleviate the negative consequences of the Uruguay Round agreements for the LDCs. Attempts to impose environmental, labour and other conditionalities as a barrier to exports from the developing countries should be resolutely opposed. Foreign

direct investment could play an important role in the growth of the developing countries, but they were unable to attract it despite their introduction of drastic economic reform measures. Developed countries must therefore encourage transnational corporations to increase their investment in and the transfer of technology to the developing countries.

48. Environmental degradation in the developing countries should constitute a concern for the entire international community, and the commitments undertaken at the Rio Conference should be implemented fully and without delay. The developing countries, however, lacked the necessary resources and technology.

49. An agenda for development should build on already existing consensus documents and try to put development at the forefront of international relations. The Secretary-General should present a comprehensive and action-oriented set of recommendations that would form the basis of a global plan of action to facilitate the socio-economic development of the developing countries.

50. Bangladesh was currently enjoying the longest period of economic stability in its history. Inflation was at an all-time low (less than 2 per cent a year), almost all food requirements were satisfied by national production and poverty was decreasing. A human-centred approach had been the cornerstone of development policy and programmes of Bangladesh, which attached great importance to human resources development and gave priority to the empowerment of women and their integration into development activities. Government efforts in that field were complemented by a number of non-governmental organizations that assisted poor village women in establishing small business enterprises and provided them with non-formal education. The State had increased investment in education, family welfare, primary health care and other social sectors. The "Food-for-education" programme had begun to show positive results. Primary education was free and compulsory, and special attention had been given to the education of girls. The Government was trying to bring primary health care facilities even to remote villages. More than 70 per cent of the country's children had been vaccinated. Population growth had fallen from 3 per cent to 2.03 per cent a year.

51. However, all those efforts faced serious difficulties due to resource and technological constraints, not to mention natural disasters. Bangladesh was therefore in particular need of international support and solidarity. Foreign direct investment could accelerate the industrialization of the country, which had a population of about 120 million and where unemployment remained a serious problem. Transnational corporations could take advantage of the incentives provided by the Government as well as the existence of cheap but skilled manpower.

52. Mr. GORELIK (Russian Federation) said that the current session of the General Assembly was being held on the eve of the Organization's fiftieth anniversary, which would provide an opportunity for a critical analysis of accumulated experience, in particular in the area of economic cooperation. That would make it possible to undertake concerted efforts to deal with current interrelated problems, including development of global economic ties, prevention

of further environmental degradation and the comprehensive and safe development of the human person. It was important to reach a consensus on the basic dimensions of a new partnership among States in the post-confrontation era.

53. The Secretary-General's report on an agenda for development contained valuable guidelines for all States. The issues raised in it should be the subject of a constructive dialogue, both at the current session of the General Assembly and in other forums, on the basis of the innovative decisions adopted at the International Conference on Population and Development, the United Nations Conference on Environment and Development and other international forums. His delegation hoped that that process would be continued at forthcoming conferences. The establishment of the World Trade Organization (WTO) would also have a decisive influence. That organization should, from the very beginning, be open to the participation of all interested States.

54. Another characteristic of the modern world which, no doubt, required adequate attention from the United Nations was the emergence of a group of nearly 30 countries with economies in transition, including the Russian Federation. The resolutions adopted by the General Assembly at its forty-seventh and forty-eighth sessions had been first steps. One could consider undertaking analytic work on the problems of trade and economic cooperation between the countries in transition, which would be similar to that of South-South cooperation. The United Nations could make recommendations on investment cooperation and appropriate energy policies in the countries in transition. Moreover, the United Nations had not made much progress in its work on the problem of military conversion, which was of the utmost importance to many countries in transition, including the Russian Federation. In his address to the General Assembly, the President of the Russian Federation had proposed that a conference on international cooperation in the field of conversion should be held under United Nations auspices in 1996.

55. Transition to a market economy was a multidimensional process that proceeded at different speeds, since the starting positions differed from one country to another. The United Nations should give priority attention to those countries in transition that had the greatest need for international support, owing to both the comparatively low level of their economic development and humanitarian and ethnic crises, which unfortunately persisted in the territory of the former Soviet Union. Those countries should also receive assistance from their more prosperous neighbours and, in spite of its own difficulties, the Russian Federation was providing assistance to a number of countries members of the Commonwealth of Independent States.

56. With respect to the economic situation of the Russian Federation and its prospects for development, the process of stabilization had begun. Inflation had been curbed and, owing largely to private initiative, the situation in the consumer market remained favourable. Privatization had entered into its second, most important phase. Fair competition was being promoted. At the same time, the population had adapted psychologically to market realities, which was reflected in the growth of savings. The Government was currently endeavouring to attract domestic and foreign investments by rapidly developing a modern

infrastructure in that area: tax reform, establishment of a civilized securities market, and a system of guarantees against political risks. As the federal budget outline for 1995 showed, the most important task was the structural adjustment of the Russian economy.

57. It was natural that, in such circumstances, the Russian Federation's foreign economic policy was shifting from mobilization of foreign aid to equal trade and economic partnership. First of all, the different sectors of the Russian economy should be allowed to engage in fair competition in international trade, and foreign investments in the Russian economy should be encouraged. The settlement of the debt problem was of paramount importance, not only in regard to the restructuring of Russian debt but also to the problem of the debts owed to Russia by a number of its trading partners.

58. A recent UNCTAD report noted that, while the total amount of foreign direct investment in 1993 had been on the order of $200 billion, only $5 billion had been invested in the countries in transition.

59. Mr. WANG Xuexian (China) said that, while the world economy had recovered to some extent over the past year, the imbalance in development had become even more noticeable. In many developing countries, poverty had worsened, and even countries with fairly rapid economic development were faced with numerous difficulties and uncertainties as they sought to develop their national economies, eradicate poverty and raise the standard of living of their populations. A large number of developing countries had begun programmes of adjustment, reform and opening to the outside world, which made them even more dependent on the international economic climate. The balanced and sustained development of the world economy continued to be affected by inequality in world economic relations. The General Assembly at its current session must therefore give priority to improving international economic cooperation. The discussion of the Secretary-General's agenda for development would undoubtedly help remove negative factors and add new vitality to United Nations activities in the field of economic development.

60. With regard to an agenda for development, his delegation emphasized that, first of all, development was a process of evolution. The world had undergone tremendous changes and people's understanding of the concept of development was gradually improving. History and reality showed that economic growth was the core of the development concept as well as the foundation for progress in other fields. Failure in economic development would inevitably block the development process in other areas. It should not be forgotten that economic growth, environmental protection and social development were interrelated. However, the essence of development must not be abandoned, and it was even more important to avoid attaching additional conditions to assistance and trade under the pretext of environmental protection. In addition, international cooperation should not be limited to crisis prevention and emergency humanitarian assistance but should strive to attain the main objectives of the developing countries.

61. Furthermore, although it was necessary to reach a global consensus on the concept of development, it was even more important to achieve constructive

results. The agenda for development therefore should establish a new global partnership and urge the developed countries to make a more tangible contribution to narrowing the gap between the North and the South and to adopt various measures to benefit the developing countries.

62. Lastly, the establishment of a democratic and effective mechanism for international economic cooperation should be an important part of the agenda for development. The role of the United Nations in multilateral economic cooperation should be strengthened so as to enable it to play a more effective role in the coordination of international macroeconomic policies and multilateral economic cooperation.

63. It was necessary swiftly to reverse the decline in financial resources for multilateral technical cooperation. The Economic and Social Council should genuinely shoulder the responsibility for policy coordination for the entire United Nations system in the social and economic spheres, including the Bretton Woods institutions. It was unacceptable and dangerous to abandon the universal character of the United Nations and the democratic decision-making process.

64. After the Bucharest and Mexico conferences, the recent International Conference on Population and Development marked a milestone in international cooperation in the field of population. The Programme of Action which it had adopted reflected the international community's understanding of the relationship between population, environment and development. The Programme of Action set out strategies and objectives for the coming two decades and, in the course of its implementation it was important to consider population and development together and seek a solution to population problems through social and economic development; it was also necessary to respect the sovereign right of countries to formulate their own population policies and objectives and, lastly, to strengthen international cooperation on the basis of mutual respect, equality and mutual benefit.

65. His Government was willing to help strengthen international cooperation in the field of population and development and implement the Cairo Programme of Action. It was regrettable that one developed country had attached extremely harsh terms of political discrimination to its donation to the United Nations Population Fund. That was contrary to the spirit of the United Nations Charter and to the spirit of United Nations development operations and was not conducive to the implementation of the Cairo Programme of Action.

66. The establishment of an open, predictable and non-discriminatory multilateral trading system was increasingly important for the economic development of all countries. The conclusion of the Uruguay Round would help to check the spread of protectionism and to promote the development of world trade and global economic growth. In the course of implementing the agreements reached during the Uruguay Round, it was important to ensure that the interests of the developing countries were protected. His country, which had participated in the Uruguay Round, had also contributed to its outcome. Although most of the contracting parties supported the restoration of his country's contracting party status, some major questions remained unresolved and the negotiations had not

yet been concluded. His country had undertaken to comply with the new multilateral trade regulations; however, as a developing country, it was entitled to respect for its basic rights and it would assume obligations compatible with its level of economic development. The restoration of his country's status in GATT was necessary for his country and for the entire world. Without his country's participation, WTO lacked universality and the multilateral trading system was incomplete.

67. It was unequivocal that economic development was essential in order to accelerate social progress and maintain world peace and stability. To meet the expectations of the international community, the United Nations was formulating a series of instruments and programmes aimed at strengthening international cooperation and promoting economic development. It was now crucial that those instruments not remain mere words on paper.

68. Ms. ULLOA (Ecuador) said that she attached particular importance to six items on the agenda.

69. With regard to macroeconomic policy questions, the four sub-items were of interest to all countries. On the eve of the twenty-first century, the concepts of interdependence and development were inseparable, and the discussion of international economic cooperation continued. Those subjects should receive priority attention, and countries should display their firm political will and translate into practical terms the commitments made in numerous resolutions and declarations.

70. With regard to the external debt crisis and development, although some countries appeared to have resolved the problem, it could not be dismissed so long as it remained a concern to creditors and debtors. That was why her delegation supported the various innovative measures outlined in General Assembly resolution A/48/182: the Governments of the developing countries would commit some of their resources to social programmes in order to benefit the poorest segments of the population.

71. As to the question of the net transfer of resources between developing and developed countries, the developed countries should undertake to increase resource flows in support of the diversification and structural adjustment efforts of the developing countries and should honour their commitment to allocate 0.7 per cent of their gross national product for development assistance. All countries should cooperate to bring about greater stability in financial markets, in order to reduce the risk of financial crisis and facilitate the establishment of an international financial system more conducive to economic growth.

72. With regard to trade and development, it was necessary to devise a mechanism that would take into account the observations of recipient countries when the system of tariff preferences was established, within the framework of the generalized scheme of preferences. The phytosanitary measures and the protection clause in fact constituted restrictive trading practices and thus impeded the effective use of the generalized scheme of preferences.

Protectionism was a matter of current concern. For a number of years, certain countries had been applying restrictive trade practices which had a severe impact on her country.

73. With regard to the United Nations Conference on Human Settlements (Habitat II) to be held at Istanbul in June 1996, the international community must not remain indifferent to poverty, environmental degradation, unemployment, the lack of education and the mass exodus from rural areas, which were some of the major problems facing contemporary society. It was imperative to find solutions to those problems and the Conference provided an opportunity to do so. She therefore reaffirmed her delegation's willingness to work towards that end.

74. The Commission on Sustainable Development had held its second session in May and all States which had participated recognized that while sustainable development must be the goal of all Governments, multilateral institutions and groups within society, the political will to implement the agreements reached at Rio was lacking. Although some efforts had been made, much remained to be accomplished with respect to financing, the transfer of technology, the alteration of consumption patterns and in general terms, to ensure the implementation of Agenda 21. Her country was striving to achieve sustainable development in order to ensure the well-being of current and future generations and, to that end, had established a commission to elaborate guidelines for national policies and strategies.

75. With regard to the agenda for development, her delegation welcomed the initiative of the Secretary-General and endorsed the views expressed by the Group of 77. However, it was appropriate to note that nothing would be accomplished without a demonstration of political will on the part of Governments, and the reports to be submitted by the Secretary-General should call upon Governments to make the required commitments and carry them out. Lastly, it must be borne in mind that the agenda for development required a favourable climate and that various actors were involved: United Nations bodies, the World Trade Organization, the Bretton Woods institutions, banks, donor and recipient Governments and the international community. Selfishness and individual interests must be abandoned in the service of a common cause, the well-being of, and respect for, the human person.

The meeting rose at 12.35 p.m.